National Agricultural Statistics Service
New Mexico Statistical Office

Weekly Ag Update

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Crop Weather ERS

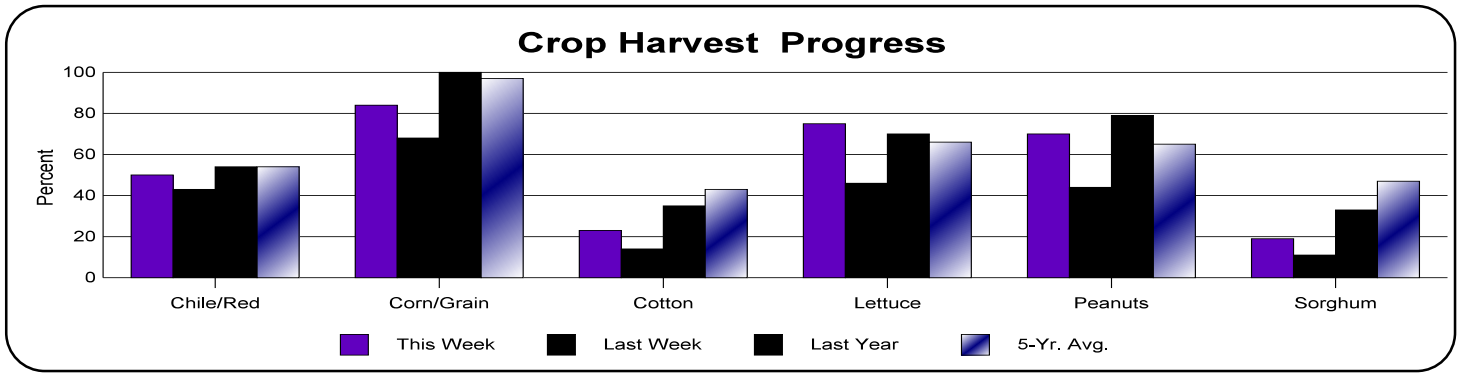
Available on the Internet: www.nass.usda.gov/nm , or by e-mail (1-800-530-8810 for information)

CROP SUMMARY FOR THE WEEK ENDING NOVEMBER 7, 2004

NEW MEXICO: There were 6.1 days suitable for fieldwork. Farmers spent the week thrashing peanuts, stripping and picking cotton, and harvesting chile, corn, and sorghum. Alfalfa harvest was nearly complete as freezing temperatures moved across the state. Red chile harvest was ongoing with half the crop harvested to date. Cotton harvest, at 23% complete, began to pick up as most of the state has received a killing frost. Corn harvest continued with 84% of the crop harvested. Sorghum conditions were reported as mostly fair to good with 19% of the crop harvested. Peanut harvest continued with 70% of the crop harvested. Lettuce harvest was ongoing with 75% of the crop harvested. Wheat condition was reported at 3% poor, 31% fair, 60% good, and 6% excellent. Ranchers continued to ship livestock, and prepare for winter. Cattle conditions were reported as 10% poor, 21% fair, 50% good and 19% excellent. Sheep conditions were at 11% poor, 24% fair, 53% good and 12% excellent. Pasture conditions were reported at 2% very poor, 11% poor, 41% fair, 36% good, and 10% excellent.

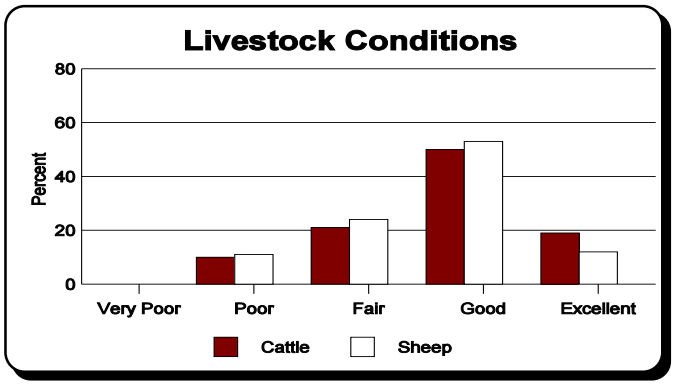
CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Harvested-Red	50	43	54	54
CORN	Harvested-Grain	84	68	100	97
COTTON	Harvested	23	14	35	43
LETTUCE	Harvested	75	46	70	66
PEANUTS	Harvested	70	44	79	65
SORGHUM (All)	Mature	65	44	84	97
SORGHUM (All)	Harvested	19	11	33	47



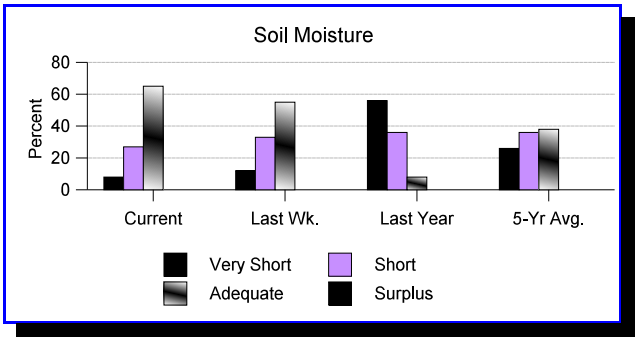
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	6	22	20	38	14
Chile	--	5	28	38	29
Cotton	2	9	40	37	12
Onions	--	--	30	50	20
Peanuts	--	2	47	51	--
Pecans	--	3	20	31	46
Sorghum (All)	--	1	44	50	5
Wheat (All)	--	3	31	60	6
Cattle	--	10	21	50	19
Sheep	--	11	24	53	12
Range/Pasture	2	11	41	36	10



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	5	15	80	--
Northeast	12	26	61	1
Southwest	--	100	--	--
Southeast	5	18	77	--
State Current	**8**	**27**	**65**	**--**
State-Last Wk.	12	33	55	--
State-Last Year	56	36	8	--
State-5-Yr Avg.	26	36	38	--



WEATHER SUMMARY

The week began with a storm system and associated cold front producing some rain and snow as well as unseasonable cold weather. As the week progressed, warmer temperatures returned to all areas of the state. With the cold beginning, temperatures for the week averaged a few degrees below normal. Precipitation was measured at not quite half of the reporting stations. Greatest totals were in the southeast, with Carlsbad (.56") and Tatum (.53") both measuring over half an inch.

NEW MEXICO WEATHER CONDITIONS NOVEMBER 1 - 7, 2004

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	11/01 11/07	11/01 11/07	Normal Nov	01/01 11/07	Normal Jan-Nov
Carlsbad	48.7	74	31	0.56	0.56	0.59	17.44	12.38
Tatum	45.3	74	23	0.53	0.53	0.55	31.88	15.57
Roswell	47.9	75	25	0.02	0.02	0.55	17.86	12.38
Clayton	46.1	79	14	T	0.00	0.52	24.44	14.80
Clovis	46.6	73	28	0.04	0.04	0.73	20.18	16.97
Roy	42.5	71	13	0.00	0.00	0.50	18.13	15.29
Tucumcari	46.1	75	22	0.15	0.15	0.51	18.26	13.90
Chama	36.9	65	9	T	0.00	1.72	13.89	19.81
Johnson Ranch	40.1	68	12	0.00	0.00	0.69	11.20	10.85
Capulin	38.2	69	12	0.06	0.06	0.67	21.52	16.94
Las Vegas	--	--	--	0.00	0.00	0.58	20.16	18.36
Los Alamos	39.5	59	23	T	0.00	1.02	15.74	17.64
Raton	38.7	69	10	0.18	0.18	0.61	24.47	16.22
Santa Fe	41.1	69	17	0.00	0.00	0.63	10.81	13.21
Red River	33.3	62	7	0.00	0.00	1.18	20.66	19.33
Farmington	41.9	69	18	0.00	0.00	0.94	7.61	8.12
Gallup	38.1	68	8	T	0.00	0.95	5.95	11.91
Grants	38.9	66	9	0.00	0.00	0.58	7.63	10.14
Silver City	45.1	72	24	0.00	0.00	0.70	21.74	14.72
Quemado	36.2	70	10	0.17	0.17	0.45	9.87	13.04
Albuquerque	47.1	73	29	T	0.00	0.43	10.13	8.38
Carrizozo	42.8	76	19	0.00	0.00	0.76	9.79	12.07
Gran Quivera	43.4	72	21	0.09	0.09	0.91	15.32	14.92
Moriarty	37.4	72	8	0.00	0.00	0.40	12.31	12.17
Ruidoso	40.2	69	19	0.22	0.22	0.88	21.11	19.72
Socorro	47.6	71	22	0.00	0.00	0.47	8.82	8.95
Alamogordo	50.5	70	31	0.24	0.24	0.71	10.42	11.92
Animas	50.9	70	27	0.00	0.00	0.71	12.49	10.62
Deming	48.4	75	25	0.15	0.15	0.64	9.24	9.73
T or C	48.2	73	27	0.01	0.01	0.60	7.25	9.22
Las Cruces	50.4	73	28	0.00	0.00	0.53	11.34	8.72

(T) Trace (-) No Report (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

COTTON OUTLOOK
USDA, ERS, October 13, 2004

The latest U.S. Department of Agriculture (USDA) cotton forecast for 2004/05 indicates a larger world crop (109.7 million bales) and higher consumption (101.4 million bales) compared with the September projection, with the United States accounting for more than one-quarter of the global production gain this month. Both 2004/05 global cotton production and consumption are records.

U.S. Production Forecast Increased in October: According to USDA's October *Crop Production* report, the 2004 U.S. cotton crop is forecast at a record 21.5 million bales, up 3 percent from last month and 18 percent above a year ago. Upland production is forecast at 20.8 million bales—625,000 bales above September's forecast—while the extra-long staple (ELS) crop is projected at 715,000 bales—5,000 bales above last month.

Over the last 20 years, the October forecast has been above final cotton production 8 times while below the final estimate 12 times. Also, past differences between the October forecast and the final production estimate indicate that chances are two out of three for the 2004 U.S. cotton crop to range between 20.6 and 22.4 million bales.

Compared with last month, the cotton production decrease in the Southeast—the result of the effects of several hurricanes—was more than offset by gains in the other regions. The Southeast declined 300,000 bales from the September forecast to about 4.3 million bales, with Georgia accounting for 250,000 bales of the loss. In contrast, the October forecast for the Southwest rose 300,000 bales to nearly 7.7 million bales, with Texas production accounting for the increase. The region is expected to account for 37 percent of the upland crop this season, similar to the 1988 season.

The Delta region was increased 600,000 bales this month to nearly 6.4 million bales. Each State, except Tennessee, contributed to the gain. Mississippi led the way with an increase of 300,000 bales to 2.1 million, an output similar to 2003/04. At 893 pounds per harvested acre, the regional yield is close to last season's record of 906 pounds. Meanwhile, the West region increased 50,000 bales to 2.5 million, with the increase attributable to California. The region's upland yield is now forecast at a record 1,414 pounds per harvested acre.

Total cotton harvested area remains estimated at 13.2 million acres, or an implied abandonment rate of only 3.9 percent—the lowest since 1997. Based on the harvested area, the U.S. cotton yield is estimated at an extraordinary 782 pounds per harvested acre, more than 50 pounds higher than the previous record set during the 2003 season. The record yield is largely attributable to excellent crop conditions that have continued well above last season. As of October 10th, 66 percent of the cotton acreage was in "good" or "excellent" condition, compared with last season's 49 percent. Meanwhile, 13 percent of this season's crop was rated "poor" or "very poor," compared with 20 percent in 2003.

Cotton area harvested as of October 10th was estimated at 29 percent, slightly above that of last season but below the 5-year average of 33 percent. Harvest is lagging in a number of States, including Louisiana, Texas, and Missouri—all 10 percentage points below their average. In contrast, North Carolina harvest progress is more than 10 percentage points ahead. Meanwhile, cotton ginnings are proceeding ahead of the last several seasons. As of October 1, 2004, cotton ginnings had reached 2.2 million running bales, compared with 2 million last season and 1.7 million in 2002.

Demand and Stock Estimates Revised Upward: U.S. cotton demand for 2004/05 was raised slightly this month as exports were increased 100,000 bales. Exports are now forecast at 12.3 million bales, about 1.5 million below last season's record. Mill use remains estimated at 6.1 million bales in October. As a result, total demand for U.S. cotton is now expected to reach 18.4 million bales, 3.1 million below the latest production forecast. This has resulted in the estimate for ending stocks to nearly double from a year ago. Ending stocks for 2004/05 are now projected at 6.7 million bales, compared with 3.5 million this past season. Consequently, the 2004/05 U.S. stocks-to-use ratio is estimated to increase to 36 percent from last season's 17 percent.

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LIVESTOCK, DAIRY, AND POULTRY OUTLOOK

USDA, ERS, October 26, 2004

Corn and Soybean Crops Forecast Record Large: Livestock producers can expect lower feed costs in the coming year due to record crops of corn and soybeans. According to the October *World Agricultural Supply and Demand Estimates*, the 2004 corn crop is forecast at 11.613 billion bushels and the soybean crop at 3.107 billion bushels. Based on these estimates, the projected corn price range in 2004/05 is $1.75 to $2.15 per bushel, compared with $2.42 in 2003/04 and $2.32 in 2002/03. The 2004/05 season average soybean meal price is projected at $150 to $180 per ton, down sharply from $256 in 2003/04. In 2002/03, the season average soybean meal price was about $182 per ton.

Wheat Grazing Prospects Have Good Potential: Wheat grazing prospects, while still materializing, have the potential for the best grazing in some time. Recent rains will help get the crop established in the High Plains wheat-grazing areas of Kansas, Oklahoma, and Texas. The proportion of the winter wheat crop that emerged in mid-October was well ahead of normal in Oklahoma and Texas, and near to slightly below normal in Kansas. Other than conditions reported in the *Weekly Weather and Crop Bulletin*, the next significant view on small grain pasture grazing will be the January 2005 *Cattle* report. Beginning in 2001, the *Cattle* report included the number of animals grazing in these primary States. The largest number reported grazing small grain pastures in Kansas, Oklahoma, and Texas was 3.7 million head in 2003, followed by 2.9 million head in 2004, 2.8 million in 2002, and a low of 1.78 million head in 2001. Even with a record coarse grain crop, low prices for grain, and record stocker/feeder cattle prices, near-record numbers of stocker calves are likely to be on small grain pastures on January 1, 2005. This will slow the rate of feedlot placements this fall, resulting in deferred placements in mid-winter through spring depending on weather/wheat growing conditions and possible wheat grazeout options. Typically, gains on small grain pastures are very favorable, but fall growth and winter conditions are the key factors determining how well the cattle will perform and when they will be shipped to feedlots.

Fall pasture and range grazing conditions are probably the best in several years, particularly given the reduced cattle inventory. Parts of the West and Northern Plains remain dry, but conditions in most of the rest of the country are very favorable and should provide good accumulated pasture to carry into this winter. In addition, the latest estimates on this year's hay crop are the largest in recent history. The estimate for total hay production is 166 million tons, up from 157 million last year. Alfalfa production is up 1 percent from 2003 and about unchanged from the August estimate. However, production of other hays is up 5 percent from August and up 10 percent from a year earlier. This increase reflects the much improved forage/grazing conditions the industry is facing going into the winter of 2004/05.

Cattle Inventory Expansion Doubtful in 2004: A number of factors have come together over the past year to increase the uncertainty of herd expansion. Without question the industry has sharply reduced cow slaughter in both the beef and dairy sectors due to strong feeder calf and milk prices, respectively. In addition, a record corn crop is about to be harvested while forage conditions have improved in most areas and hay production is near-record large. At the same time, with record feeder cattle prices, the opportunity cost of retaining a heifer from this year's calf crop is extremely high. A heifer retained from this year's calf crop would not be bred until 2005, calve in 2006, and that calf not sold until the fall of 2006. Recent drought and poor grazing conditions are fresh in most producers' minds and the potential opening of the border to Canadian cattle, as well as additional beef, increases price uncertainty. Further caution is coming from concerns about consumer spending uncertainties and as discretionary income is reduced by higher energy costs.